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SUBJECT: ELECTION TIME IN DJULOVAC

SUMMARY

1. (U) ON OCTOBER 22, WE VISITED DJULOVAC MUNICIPALITY TO OPEN A USAID AND EUCOMM FUNDED SCHOOL REHABILITATION PROJECT, A COMMUNITY CENTER, AND A ROAD PROJECT. SMILING VILLAGERS, SINGING STUDENTS, AND TABLES LADEN WITH LOCAL DELICACIES AND HOMEMADE BRANDIES GREETED US, THE LOCAL POLITICAL ESTABLISHMENT, AND UNTOLD OTHERS AT THREE RIBBON CUTTING CEREMONIES. AS IF IT WAS HIS DAUGHTER'S WEDDING, MAYOR MILAN GRAHOVAC, OF THE CROATIAN PEOPLE'S PARTY (HSS), ATTENDED TO EVERY DETAIL AT A SIT DOWN LUNCH FOR APPROXIMATELY THREE HUNDRED. IT IS ELECTION TIME IN CROATIA, AND INCUMBENTS ARE TAKING EVERY OPPORTUNITY TO DEMONSTRATE WHO IS BRINGING HOME THE BACON. END SUMMARY.

A GOOD DAY IN DJULOVAC

2. (U) ON OCTOBER 22 THE AMBASSADOR AND USAID DIRECTOR VISITED DJULOVAC MUNICIPALITY IN WESTERN SLAVONIA TO OPEN AN ELEMENTARY SCHOOL RECONSTRUCTION PROJECT, A COMMUNITY CENTER, AND AN 8 KM ROAD RECONSTRUCTION PROJECT. USAID SPENT APPROXIMATELY \$1.2 MILLION AND EUCOMM AN ADDITIONAL \$220,000 IN THE MUNICIPALITY, WHICH HAS A POPULATION OF JUST OVER 4,100. THE MUNICIPALITY, OVER TWO HOURS BY CAR DUE EAST OF ZAGREB, WAS ON THE FRONT LINES OF THE 1991-1995 WAR, LYING THE FARTHEST NORTH THAT SERB PARAMILITARIES PENETRATED IN CENTRAL CROATIA. DURING THE WAR 55 PERCENT OF THE REGION'S HOUSING STOCK WAS EITHER BADLY DAMAGED OR DESTROYED. SIX VILLAGES WERE COMPLETELY DESTROYED AND REMAIN UNINHABITED TODAY.

3. (U) THE MAJORITY OF ETHNIC SERBS LIVING IN THE REGION FLED IN THE BEGINNING OF 1992. THE TUDJMAN GOVERNMENT ALLOCATED EMPTY HOMES BELONGING TO ETHNIC SERBS FOR THE "TEMPORARY USE" OF 1,950 KOSOVO CROATS AND 250 BOSNIA CROATS WHO SETTLED IN THE AREA. WHILE THE POPULATION HAS NEARLY RETURNED TO ITS PREWAR LEVEL, THE COMPOSITION HAS CHANGED DRAMATICALLY, AND THE CHALLENGE REMAINS TO FIND PERMANENT HOUSING SOLUTIONS FOR SETTLERS (KOSOVAR AND BOSNIAN CROATS) SO THAT PROPERTIES CAN BE RETURNED TO OWNERS (SERBS).

4. (U) IN A MODEL OF COOPERATION, IN 2001 THE MUNICIPAL AUTHORITIES, ASSOCIATION OF KOSOVO CROATS "LETNICA," AND THE NGO "SERB DEMOCRATIC FORUM" PRESENTED A JOINT PLAN FOR RECONSTRUCTION AND DEVELOPMENT TO THE GOC AND INTERNATIONAL DONORS. FUNDING WAS SECURED, AND THE PLAN HAS BEEN SUCCESSFULLY IMPLEMENTED, AS EVIDENCED BY INCREASED RETURNS OF REFUGEES. HOWEVER, UNEMPLOYMENT AND ECONOMIC STAGNATION REMAIN THE MAJOR PROBLEMS FOR THE REGION. ACCORDING TO OFFICIAL FIGURES ONLY 350 PEOPLE ARE EMPLOYED IN THE MUNICIPALITY, WITH OVER HALF IN THE FORESTRY INDUSTRY. OUTSIDE SMALL-SCALE AGRICULTURAL BASED PRODUCTION -- HONEY, WINE, AND CRAFTS -- FEW REAL POSSIBILITIES EXIST FOR THE HILLY AND ISOLATED REGION.

5. (SBU) DJULOVAC AND ITS ENVIRONS IS A STRONGHOLD OF THE HSS, THE SECOND LEADING PARTY IN THE RULING COALITION AND THE THIRD LARGEST PARTY IN PARLIAMENT. WHILE MORE COMFORTABLE SITTING ON A TRACTOR THAN BEHIND A DESK, GRAHOVAC, LIKE ANY POLITICAL PRO, WAS QUICK TO SEE THE CAMPAIGN ADVANTAGES INHERENT IN THE DAY'S EVENTS. THE RECONSTRUCTION AND BUILDING PROVIDED EMPLOYMENT, AND THE SCHOOLS WERE SORELY NEEDED FOR THE LARGER AND BURGEONING POPULATION OF 700 SCHOOL-AGE CHILDREN -- A "SMALL" FAMILY OF KOSOVAR CROATS HAS SIX CHILDREN.

6. (SBU) THE MAYOR HAD LONG LOOKED FORWARD TO THE THE DAY'S CELEBRATIONS, WHICH CULMINATED IN A HUGE LUNCH IN THE TOWN'S MAIN HALL. LIKE THE FATHER OF THE BRIDE, GRAHOVAC WENT FROM TABLE-TO-TABLE -- FIREMEN, TEACHERS, CIVIC AND BUSINESS LEADERS -- MAKING SURE EVERYONE'S GLASS WAS FULL. HSS LEADERS, INCLUDING TWO ADDITIONAL HSS COUNTY PREFECTS FROM NEIGHBORING COUNTIES -- WERE CONFIDENT THEY WOULD DOMINATE THE UPCOMING ELECTIONS IN THE REGION. THE BAND -- WE WERE TOLD A MIXED SERB AND CROAT ENSEMBLE -- PLAYED ON, AND FOR ONE DAY, AT LEAST, DESPITE WHATEVER PROBLEMS THERE MAY BE, THERE WAS SOMETHING TO CELEBRATE IN DJULOVAC.

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